



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|--|-------------|-------------------------|---------------------------------------|------------------|
| 09/812,828 | 03/21/2001 | Soichi Nemoto | 1095.1175/JDH | 1925 |
| 21171 7590 03/08/2007 STAAS & HALSEY LLP SUITE 700 1201 NEW YORK AVENUE, N.W. WASHINGTON, DC 20005 | | | EXAMINER SUBRAMANIAN, NARAYANSWAMY | |
| | | | ART UNIT 3692 | PAPER NUMBER |
| SHORTENED STATUTORY PERIOD OF RESPONSE 3 MONTHS | | MAIL DATE 03/08/2007 | DELIVERY MODE PAPER | |

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

| | | | |
|------------------------------|--------------------------|---------------------|--|
| Office Action Summary | Application No. | Applicant(s) | |
| | 09/812,828 | NEMOTO ET AL. | |
| | Examiner | Art Unit | |
| | Narayanswamy Subramanian | 3692 | |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 05 February 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 5 and 13 is/are pending in the application.
- 4a) Of the above claim(s) 1-4 and 6-12 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 5 and 13 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This office action is in response to applicants' request for continued examination filed on February 5, 2007. Amendments to claim 5 and addition of new claim 13 have been entered. Claims 1-13 are currently pending, of which claims 1-4 and 6-12 have been withdrawn from consideration as discussed in the previous office actions. Applicants are once again respectfully advised to cancel the withdrawn claims 1-4 and 6-12 in response to this office action. Claims 5 and 13 have been examined. The rejections and response to arguments are stated below.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

3. Claims 5 and 13 are rejected under 35 U.S.C., 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 5 recites the limitation "the identifying means identifies a customer who has purchased securities as a real holder of the securities if the customer has already transferred the securities to the customer's own name upon request from a securities company used by the customer to purchase the securities". However it is not clear as to what happens if the customer has not transferred the securities to the customer's own name upon request from a securities company used by the customer to purchase the securities. Also the claim recites the limitations "wherein the identifying means identifies a customer who has purchased securities as a real holder of the securities if the customer has already transferred the securities to the customer's own name upon request from a securities company used by the customer to purchase the

securities, and wherein the identifying means excludes the customer if the customer has not applied for transfer of the securities, or if the customer's applied transfer has not been completed". It is not clear from the above limitations as to who is doing the applying for the transfer. Is the applying done by the customer or by the securities company? Appropriate correction/clarification is required.

Claim 13 recites the limitations "identifying a customer as the true owner of the securities, the comparison showing the customer has applied for and completed a transfer of the securities to customer's name by request of the customer's brokerage". It is not clear as to what is the link between "identifying a customer as the true owner of the securities" and "the comparison showing the customer has applied for and completed a transfer of the securities to customer's name by request of the customer's brokerage". Appropriate correction/clarification is required.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 5 and 13 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory Subject matter.

35 USC 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" (emphasis added).

Claim 5 is drawn to "an authentication apparatus comprising: means for storing customer information concerning customers in a storage unit; means for acquiring transaction information concerning a transaction of securities that has been completed in an exchange; and means for

Art Unit: 3692

identifying a holder of the securities after the transaction is completed by comparing the transaction information with the customer information, wherein the identifying means identifies a customer who has purchased securities as a real holder of the securities if the customer has already transferred the securities to the customer's own name upon request from a securities company used by the customer to purchase the securities, and wherein the identifying means excludes the customer if the customer has not applied for transfer of the securities, or if the customer's applied transfer has not been completed". As such the claimed invention is directed to a judicial exception to 35 U.S.C. 101 (i.e., an abstract idea, natural phenomenon, or law of nature) and is not directed to a practical application of such judicial exception because the claims do not require any physical transformation and the invention as claimed does not produce a useful, concrete, and tangible result. In particular it is not clear as to what happens if the customer has not transferred the securities to the customer's own name upon request from a securities company used by the customer to purchase the securities. There is no identifying a customer who has purchased securities as a real holder of the securities and hence no useful, concrete, and tangible result. Similarly if the identifying means excludes the customer, there is no identifying a customer who has purchased securities as a real holder of the securities and hence no useful, concrete, and tangible result.

Similarly claim 13 is drawn to "a method of identifying a customer of securities as the true holder of securities, the method comprising: retrieving information of a completed securities purchase; comparing the completed information of the securities purchased with information in a customer information storage; and identifying a customer as the true owner of the securities, the comparison showing the customer has applied for and completed a transfer of the securities to

customer's name by request of the customer's brokerage". As such the claimed invention is directed to a judicial exception to 35 U.S.C. 101 (i.e., an abstract idea, natural phenomenon, or law of nature) and is not directed to a practical application of such judicial exception because the claims do not require any physical transformation and the invention as claimed does not produce a useful, concrete, and tangible result. In particular it is not clear as to what happens if the comparison shows that the customer has applied not for and or completed a transfer of the securities to customer's name by request of the customer's brokerage. There is no identifying a customer as the true owner of the securities and hence no useful, concrete, and tangible result.

The Court of Appeals for the Federal Circuit issued opinions in *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F. 3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998) and *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 50 USPQ2d 1447 (Fed. Cir. 1999). These decisions explained that, to be eligible for patent protection, the claimed invention as a whole must accomplish a practical application. That is, it must produce a "useful, concrete and tangible result." *State Street*, 149 F.3d at 1373-74, 47 USPQ2d at 1601 02. To satisfy section 101 requirements, the claim must be for a practical application of the § 101 judicial exception, which can be identified in various ways: (a) The claimed invention "transforms" an article or physical object to a different state or thing. (b) The claimed invention otherwise produces a useful, concrete and tangible result, based on the factors discussed below.

The USPTO's official interpretation of the utility requirement provides that the utility of an invention has to be (i) specific, (ii) substantial and (iii) credible. See MPEP § 2107.

The tangible requirement does require that the claim must recite more than a § 101 judicial exception, in that the process claim must set forth a practical application of that § 101

Art Unit: 3692

judicial exception to produce a real-world result. Benson, 409 U.S. at 71-72, 175 USPQ at 676-77 (invention ineligible because had “no substantial practical application”).

For an invention to produce a “concrete” result, the process must have a result that can be substantially repeatable or the process must substantially produce the same result again. In re Swartz, 232 F.3d 862, 864, 56 USPQ2d 1703, 1704 (Fed. Cir. 2000) (where asserted result produced by the claimed invention is “irreproducible” claim should be rejected under section 101). The opposite of “concrete” is unrepeatable or unpredictable.

There is no useful, concrete and tangible result produced from implementing the steps of the claimed invention.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 5 and 13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Quinlan et al (US Patent 6,748,365 B1) in view of Hawkins et al (US Patent 6,247,000 B1).

Claim 5, Quinlan teaches an authentication apparatus (See Quinlan Column 9 lines 13-17) comprising: means for storing customer information concerning customers in a storage unit (See Quinlan Column 6 lines 1-4); means for acquiring transaction information concerning a transaction that has been completed in an exchange (See Quinlan Column 5 line 64 - Column 6 line 1); and means for identifying a owner of a product as a customer who has purchased the

Art Unit: 3692

product, after the purchase transaction is completed by comparing the transaction information with the customer information (See Quinlan Column 6 lines 1-7). The purchaser of a product is interpreted to include the holder of the product and an authentication apparatus is inherent in the disclosure of Quinlan.

Quinlan does not explicitly teach the step wherein the product is a security and the limitations of “wherein the identifying means identifies a customer who has purchased securities as a real holder of the securities if the customer has already transferred the securities to the customer’s own name upon request from a securities company used by the customer to purchase the securities, and wherein the identifying means excludes the customer if the customer has not applied for transfer of the securities, or if the customer’s applied transfer has not been completed”. However the limitations of “wherein the identifying means identifies a customer who has purchased securities as a real holder of the securities if the customer has already transferred the securities to the customer’s own name upon request from a securities company used by the customer to purchase the securities, and wherein the identifying means excludes the customer if the customer has not applied for transfer of the securities, or if the customer’s applied transfer has not been completed” has not been given patentable weight because the steps of identifying a customer who has purchased securities as a real holder of the securities if the customer has already transferred the securities to the customer’s own name upon request from a securities company used by the customer to purchase the securities or excluding the customer if the customer has not applied for transfer of the securities, or if the customer’s applied transfer has not been completed have not been positively recited. These limitations only recite the intended use of the identifying means.

Hawkins teaches the step wherein the product is a security (See Hawkins Column 21 line 66 - Column 24 line 35)

Both Quinlan and Hawkins are concerned with the problem of settlement after the purchase of a product. It would have been obvious to one of ordinary skill in the art at the time of invention to modify Quinlan to include the teachings of Hawkins. The combination of teachings suggests that buyers of securities would have benefited from dividends and/or rights issued to the purchaser by the issuing entity.

Claim 13, Quinlan teaches a method of identifying a customer of securities as the true holder of securities, the method comprising: retrieving information of a completed product purchase (See Quinlan Column 5 line 64 - Column 6 line 1); comparing the completed information of the product purchased with information in a customer information storage (See Quinlan Abstract); and identifying a customer as the true owner of the product (See Quinlan Column 6 lines 1-7). The purchaser of a product is interpreted to include the holder of the product. Quinlan does not explicitly teach the limitation of “the comparison showing the customer has applied for and completed a transfer of the securities to customer’s name by request of the customer’s brokerage”. However this limitation is interpreted as an intended use of the comparing step. Also it is not clear as to how this limitation has any bearing on the step of identifying a customer as the true owner of the product.

Quinlan also does not explicitly teach the step wherein the product is a security.

Hawkins teaches the step wherein the product is a security (See Hawkins Column 21 line 66 - Column 24 line 35)

Both Quinlan and Hawkins are concerned with the problem of settlement after the purchase of a product. It would have been obvious to one of ordinary skill in the art at the time of invention to modify Quinlan to include the teachings of Hawkins. The combination of teachings suggests that buyers of securities would have benefited from dividends and/or rights issued to the purchaser by the issuing entity.

Response to Arguments

8. In response to applicant's argument that "Quinlan and Hawkins taken separately or in combination fail to teach or suggest wherein the identifying means identifies a customer who has purchased securities as a real holder of the securities if the customer has already transferred the securities to the customer's own name upon request from a securities company used by the customer to purchase the securities, and wherein the identifying means excludes the customer if the customer has not applied for transfer of the securities, or if the customer's applied transfer has not been completed", the examiner would like to point out, as discussed above, that these limitations are not positively recited and hence not given patentable weight.

In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, both Quinlan and Hawkins are concerned with the problem of settlement after the purchase of a product. It would have been obvious to one of ordinary skill in the art at

Art Unit: 3692


the time of invention to modify Quinlan to include the teachings of Hawkins. The combination of teachings suggests that buyers of securities would have benefited from dividends and/or rights issued to the purchaser by the issuing entity. The motivation to combine would have been obvious to one of ordinary skill in the art at the time of invention.

Applicant's other arguments with respect to pending claims have been considered but are not persuasive.

Conclusion

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached at (571) 272-6777. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).


Dr. N. Subramanian
Primary Examiner
Art Unit 3692

March 3, 2007